

# **Loyal Insurance Services Ltd**

Registered number: 05350177

## **Audited financial statements**

**For the year ended 31 December 2019**



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**LOYAL INSURANCE SERVICES LTD**

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**COMPANY INFORMATION**

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<b>Directors</b>	L Higham (appointed 17 January 2019) J M H Guian (appointed 19 February 2019) R P N Daufouy (appointed 19 February 2019) G Beeston (resigned 17 January 2019) D Spencer (resigned 17 January 2019)
<b>Registered number</b>	05350177
<b>Registered office</b>	3000 Lakeside North Harbour Western Road Portsmouth Hampshire PO6 3EN
<b>Independent auditor</b>	Mazars LLP Chartered Accountants & Statutory Auditor 5th Floor Merck House Seldown Lane Poole BH15 1TW

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**LOYAL INSURANCE SERVICES LTD**

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## **LOYAL INSURANCE SERVICES LTD**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

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The directors present their report and the financial statements for the year ended 31 December 2019.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Going concern**

The Directors have carried out an assessment of the company's activities and along with the factors likely to impact its future development and financial performance. As noted within the accounting policies on page 8, this review has looked at the company's cash flows and risks and uncertainties including COVID 19. After consideration, the directors have a good expectation that the company has adequate resources to continue operation for the foreseeable future. The directors continue to adopt a going concern basis in the preparation of the financial statements.

#### **Directors**

The directors who served during the year were:

L Higham (appointed 17 January 2019)  
J M H Guian (appointed 19 February 2019)  
R P N Daufouy (appointed 19 February 2019)  
G Beeston (resigned 17 January 2019)  
D Spencer (resigned 17 January 2019)

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**LOYAL INSURANCE SERVICES LTD**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**Disclosure of information to auditor**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Post balance sheet events**

Since the balance sheet date there has been a global outbreak of the Coronavirus. On 12 March 2020 the World Health Organisation declared the outbreak a pandemic. The impact of this pandemic is not yet clear and at the date of this report it is not possible to evaluate all potential implications for the Company's trade, customers and suppliers. The principal objective of the Company is to protect the health and safety of personnel in the performance of their duties, ensure the continuity of critical operations and to fully cooperation with public authorities. The Directors considered the financial impact of this pandemic and have concluded that the matter is a non-adjusting post balance sheet event.

**Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

*Lorraine Higham*

**L Higham**  
Director

Date: Dec 21, 2020

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**LOYAL INSURANCE SERVICES LTD**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOYAL INSURANCE SERVICES LTD**

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**Opinion**

We have audited the financial statements of Loyal Insurance Services Ltd (the 'Company') for the year ended 31 December 2019 which comprise the Statement of Income and Retained Earnings, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of matter – Impact of the outbreak of COVID-19 on the financial statements**

In forming our opinion on the Company financial statements, which is not modified, we draw your attention to the directors' view on the impact of the COVID-19 as disclosed on page 1, and the consideration in the going concern basis of preparation on page 8 and non- adjusting post balance sheet events on page 13.

Since the balance sheet date there has been a global pandemic from the outbreak of COVID-19. The impact of COVID-19 became significant in March 2020 and has caused widespread disruption to normal patterns of business activity across the world, including the UK.

The impact of COVID-19 continues to evolve and, based on the information available at this point in time, the directors have assessed the impact of COVID-19 on the business and have concluded that COVID-19 is a non-adjusting post balance sheet event and that adopting the going concern basis for preparation of the financial statements is appropriate.

**Other Matter**

Without qualifying our opinion we draw attention to the accounting policies on page 8 of the financial statements and the fact that the comparative information in the accounts was unaudited.

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**LOYAL INSURANCE SERVICES LTD**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOYAL INSURANCE SERVICES LTD**

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**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

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## LOYAL INSURANCE SERVICES LTD

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOYAL INSURANCE SERVICES LTD

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#### Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Use of the audit report

This report is made solely to the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

  
Stephen Mills (Dec 22, 2020 12:58 GMT)

Stephen Mills (Senior statutory auditor)

for and on behalf of

Mazars LLP  
Chartered Accountants and Statutory Auditor  
5th Floor  
Merck House  
Seldown Lane  
Poole  
BH15 1TW

Date: Dec 22, 2020



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**LOYAL INSURANCE SERVICES LTD**

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**STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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	Note	2019 £	2018 (unaudited) £
Turnover		1,275,310	845,367
Cost of sales		(760)	(1,399)
<b>Gross profit</b>		<u>1,274,550</u>	<u>843,968</u>
Administrative expenses		(614,648)	(321,082)
<b>Operating profit</b>		<u>659,902</u>	<u>522,886</u>
Interest receivable and similar income		-	14
<b>Profit before tax</b>		<u>659,902</u>	<u>522,900</u>
Tax on profit		(127,259)	(102,951)
<b>Profit after tax</b>		<u>532,643</u>	<u>419,949</u>
Retained earnings at the beginning of the year		1,342,175	1,065,088
		<u>1,342,175</u>	<u>1,065,088</u>
Profit for the year		532,643	419,949
Dividends declared and paid		(1,321,389)	(142,862)
<b>Retained earnings at the end of the year</b>		<u>553,429</u>	<u>1,342,175</u>
The notes on pages 8 to 13 form part of these financial statements.			

**LOYAL INSURANCE SERVICES LTD**  
**REGISTERED NUMBER: 05350177**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2019**

	Note	2019 £	2018 (unaudited) £
<b>Fixed assets</b>			
Tangible assets	3	523	1,123
		<u>523</u>	<u>1,123</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	4	393,525	121,363
Cash at bank and in hand		335,888	1,356,780
		<u>729,413</u>	<u>1,478,143</u>
Creditors: amounts falling due within one year	5	(175,507)	(135,878)
<b>Net current assets</b>		<u>553,906</u>	<u>1,342,265</u>
<b>Total assets less current liabilities</b>		<u>554,429</u>	<u>1,343,388</u>
<b>Provisions for liabilities</b>			
Other provisions		-	(213)
<b>Net assets</b>		<u><u>554,429</u></u>	<u><u>1,343,175</u></u>
<b>Capital and reserves</b>			
Called up share capital		1,000	1,000
Profit and loss account		553,429	1,342,175
		<u><u>554,429</u></u>	<u><u>1,343,175</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

*Lorraine Higham*

**L Higham**  
 Director

Date: Dec 21, 2020

The notes on pages 8 to 13 form part of these financial statements.

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## LOYAL INSURANCE SERVICES LTD

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### General information

The company (registered number 05350177) is private and limited by shares, incorporated in England within the United Kingdom.

The registered address of the Company is:

3000 Lakeside  
North Harbour  
Western Road  
Portsmouth  
Hampshire  
PO6 3EN

The principal activity of Loyal Insurance Services Limited continued to be that of selling (as an agent) general insurance policies (excluding life insurance and investment).

#### 1. Accounting policies

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The financial statements for the period ended 31 December 2018 were unaudited.

The following principal accounting policies have been applied:

##### 1.2 Going concern

The directors have made an assessment in preparing these financial statements as to whether the company is a going concern and have concluded that there are no uncertainties that may cast doubt on the company's ability to continue as a going concern.

Loyal Insurance Services Limited is part of the SPB UK & Ireland Group. The main impact of COVID-19 has been to the way the business operated and the introduction of working from home protocols. The company acted swiftly and decisively to counter the challenges of the Pandemic. We have established work from home protocols for most of our staff and have implemented a COVID secure office work environment. We continue to review the situation regularly and will maintain these protocols until we are able to return to a normal office work environment. Throughout the pandemic we have sought to ensure that all our staff remain fully engaged and connected to the business. Good levels of customer service have been maintained throughout this period. The consolidated Groups financials have not been adversely impacted by COVID-19, but we have seen a reduction in the number of daily claims and lower repair volumes, which have had an influence on some of the subsidiaries. The business has not needed to rely on the government furlough scheme and has maintained full-service levels for all the companies throughout the pandemic.

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**LOYAL INSURANCE SERVICES LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1. Accounting policies (continued)**

**1.3 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

Monetary amounts in these financial statements are rounded to the nearest £.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

**1.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**1.5 Interest income**

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1. Accounting policies (continued)**

**1.6 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**1.7 Taxation**

Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

**1.8 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 25% straight line
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

**1.9 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

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**LOYAL INSURANCE SERVICES LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1. Accounting policies (continued)****1.10 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**1.11 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**1.12 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

**1.13 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**2. Employees**

The average monthly number of employees, including directors, during the year was 0 (2018 - 3).

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**LOYAL INSURANCE SERVICES LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**3. Tangible fixed assets**

	<b>Plant and machinery £</b>
<b>Cost or valuation</b>	
At 1 January 2019	55,832
At 31 December 2019	<u>55,832</u>
<b>Depreciation</b>	
At 1 January 2019	54,709
Charge for the year on owned assets	600
At 31 December 2019	<u>55,309</u>
<b>Net book value</b>	
At 31 December 2019	<u>523</u>
At 31 December 2018	<u>1,123</u>

**4. Debtors**

	<b>2019 £</b>	<b>2018 (unaudited) £</b>
Trade debtors	-	82,458
Amounts owed by group undertakings	196,247	-
Other debtors	191,417	38,905
Prepayments and accrued income	5,861	-
	<u>393,525</u>	<u>121,363</u>

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**LOYAL INSURANCE SERVICES LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**5. Creditors: Amounts falling due within one year**

	2019 £	2018 (unaudited) £
Trade creditors	13,335	29,176
Amounts owed to group undertakings	30,000	-
Corporation tax	127,259	103,875
Other creditors	213	2,827
Accruals and deferred income	4,700	-
	<u>175,507</u>	<u>135,878</u>

**6. Related party transactions**

The company has taken the advantage of the exemptions available in accordance with section 33 of FRS102 not to disclose transactions entered into between two or more members of a group, as the company is a wholly owned subsidiary undertaking of the group.

**7. Post balance sheet events**

Since the balance sheet date there has been a global outbreak of the Coronavirus. On 12 March 2020 the World Health Organisation declared the outbreak a pandemic. The impact of this pandemic is not yet clear and at the date of this report it is not possible to evaluate all potential implications for the Company's trade, customers and suppliers. The principal objective of the Company is to protect the health and safety of personnel in the performance of their duties, ensure the continuity of critical operations and to fully cooperation with public authorities. The Directors considered the financial impact of this pandemic and have concluded that the matter is a non-adjusting post balance sheet event.

**8. Controlling party**

The immediate parent company is SPB UK & Ireland Limited, a company registered in England & Wales. Group accounts are prepared and can be obtained on request from the registered office. The registered address is 3000 Lakeside North Harbour, Western Road, Portsmouth, Hampshire, England, PO6 3EN.